

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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DATE FILED: JAN 30 2018

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UNITED STATES OF AMERICA :

- v. - :

MEHMET DIKENGIL, :  
ANNA JONES, and :  
LUIS OMAR VARGAS, :

Defendants. :

- - - - - x

INDICTMENT

18 Cr. \_\_\_\_ (\_\_\_\_)

**18 CRIM 076**

**JUDGE CROTTY**

COUNT ONE

(Conspiracy to Commit Health Care Fraud)

The Grand Jury charges:

THE DEFENDANTS AND RELEVANT PERSONS AND ENTITIES

1. At all times relevant to this Indictment, MEHMET DIKENGIL, the defendant, was a dentist licensed to practice dentistry in New York State.

2. At all times relevant to this Indictment, a particular dental clinic (the "Clinic"), was a New York State professional corporation, which operated a dental clinic, located in Manhattan, New York. MEHMET DIKENGIL, the defendant, was the owner of the Clinic. The patient base of the Clinic included many low-income individuals and many patients covered by Medicaid.

3. At all times relevant to this Indictment, ANNA JONES, the defendant, was employed at the Clinic as an office manager.

4. At all times relevant to this Indictment, LUIS OMAR VARGAS, the defendant, was employed at the Clinic as a dental hygienist. In this position, VARGAS was responsible for performing dental services on patients. VARGAS, however, was not licensed to practice as a dentist or dental hygienist in New York State or elsewhere.

#### BACKGROUND ON MEDICAID

5. The New York State Medicaid program ("Medicaid") is a federal and state health care program providing benefits to individuals and families who meet specified financial and other eligibility requirements and certain others who lack adequate resources to pay for medical care. The Centers for Medicare and Medicaid Services ("CMS"), a federal agency within the United States Department of Health and Human Services ("HHS"), oversees Medicaid as well as Medicaid programs in participating states. CMS provides substantial funds to New York State for the Medicaid program, including approximately \$37.3 billion in 2017 and \$33.5 billion in 2016.

6. The New York State Department of Health ("NYDOH") administers the Medicaid Program in New York State. The NYDOH contracts with approved managed care companies - networks of health care providers affiliated with or owned by health insurance companies or other health care payers - located in, among other

places, New York, New York, that provide coverage directly to Medicaid beneficiaries. The managed care companies receive a fee from the NYDOH for providing such coverage. Most Medicaid beneficiaries receive their health care coverage through such third-party managed care companies.

7. For Medicaid provided through private third-party managed care companies, health care providers generally submit claims to the managed care companies that are directly providing coverage to the beneficiaries. Those managed care companies pay the health care providers directly.

8. Medicaid, managed care companies that contract to provide coverage to Medicaid beneficiaries, and private health insurance companies (collectively, the "Insurance Providers") cover the costs of certain medical tests, procedures, and other medical services. Generally, the Insurance Providers cover these costs only if, among other requirements, they are medically necessary and ordered by a medical provider.

9. Under the Medicaid regulations, a medical provider is permitted to submit claims for services actually rendered and is required to maintain patient records verifying the provision of services. Individuals who are not licensed medical providers are not permitted to submit claims to Medicaid.

10. To receive reimbursement for a covered service from Medicaid, a medical provider is required to submit a claim, either electronically or in writing. The claim has to include information identifying the medical provider, the patient, and the services rendered. By submitting the claim, the provider is certifying, among other things, that the services were rendered to the patient.

**BACKGROUND REGARDING INSURANCE CREDENTIALING**

11. A medical provider seeking to become authorized to provide and bill an Insurance Provider for medical services as an in-network provider with one or more of the Insurance Providers must generally undergo a process known as credentialing, through which the Insurance Provider establishes, among other things, the education, training, experience, and competency of the medical provider.

12. To become credentialed with an Insurance Provider, a medical provider must generally submit a detailed credentialing application describing the provider's background and experience as well as supporting documentation including, among other things, diplomas, letters of reference, and licensing and insurance documents. Generally, a medical provider must go through a separate credentialing process for each Insurance Provider he or she seeks to bill for medical services as an in-network provider.

**OVERVIEW OF THE HEALTH CARE FRAUD SCHEME**

13. From at least in or about 2012 up to and including in or about November 2017, MEHMET DIKENGIL, ANNA JONES, LUIS OMAR VARGAS, the defendants, and others known and unknown, participated in a scheme to defraud the Insurance Providers of over one million dollars.

14. The scheme included, among other things: submitting false claims to the Insurance Providers for procedures that were not performed; submitting claims to the Insurance Providers that misrepresented the identity of the medical provider who performed the dental procedures; paying health care kickbacks to Medicaid beneficiaries in exchange for receiving certain dental services at the Clinic; and paying health care kickbacks to individuals who recruited Medicaid beneficiaries (the "Recruiters") to receive certain dental services at the Clinic.

**STATUTORY ALLEGATIONS**

15. From at least in or about 2012 up to and including in or about November 2017, in the Southern District of New York and elsewhere, MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated and agreed together and with each other to violate Title 18, United States Code, Section 1347.

16. It was a part and an object of the conspiracy that MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, and others known and unknown, willfully and knowingly would and did execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program, to wit, Medicaid, and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, a health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

(Title 18, United States Code, Section 1349.)

**COUNT TWO**  
**(Health Care Fraud)**

The Grand Jury further charges:

17. The allegations contained in paragraphs 1 through 14 of this Indictment are repeated and realleged as if fully set forth herein.

18. From at least in or about 2012 up to and including in or about November 2017, in the Southern District of New York and elsewhere, MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud a health care benefit

program, to wit, Medicaid, and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, a health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, and aided and abetted the same, to wit, MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS participated in a scheme to defraud the Insurance Providers by making materially false statements in claims for payment for the provision of dental services.

(Title 18, United States Code, Sections 1347 and 2.)

**COUNT THREE**

**(Conspiracy to Violate the Anti-Kickback Statute)**

The Grand Jury further charges:

19. The allegations contained in paragraphs 1 through 14 of this Indictment are repeated and realleged as if fully set forth herein.

20. From at least in or about 2012 up to and including in or about November 2017, in the Southern District of New York and elsewhere, MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States,



to wit, to violate Title 42, United States Code, Section 1320a-7b(b)(2).

21. It was a part and object of the conspiracy that MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, and others known and unknown, willfully and knowingly would and did offer and pay remuneration (including kickbacks, bribes, and rebates), directly and indirectly, overtly and covertly, in cash and in kind, (1) to a person to induce such person to refer Medicaid beneficiaries to a person for the furnishing and arranging for the furnishing of items and services for which payment may be made in whole and in part under a Federal health care program, and (2) to Medicaid beneficiaries to induce those beneficiaries to purchase, lease, order and arrange for and recommend purchasing, leasing and ordering goods, facilities, services and items for which payment may be made in whole and in part under a Federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(2).

#### Overt Acts

22. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about September 8, 2017, MEHMET DIKENGIL and ANNA JONES, the defendants, paid a confidential source ("CS-



1") \$25 in U.S. currency as an inducement for CS-1's visit to the Clinic in Manhattan, New York.

b. On or about September 22, 2017, LUIS OMAR VARGAS, the defendant, stated to another confidential source ("CS-2") who visited the Clinic in order to receive \$25 in U.S. currency, in sum and substance, "I know you want the money right, but we need to do something."

(Title 18, United States Code, Section 371.)

**FORFEITURE ALLEGATION**

23. As a result of committing the offenses alleged in Counts One through Three of this Indictment, MEHMET DIKENGIL, ANNA JONES, and LUIS OMAR VARGAS, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses alleged in Counts One through Three of this Indictment, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses that the defendants personally obtained.

Substitute Assets Provision

24. If any of the above described forfeitable property, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

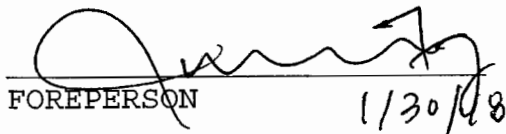
(c) has been placed beyond the jurisdiction of the Court;

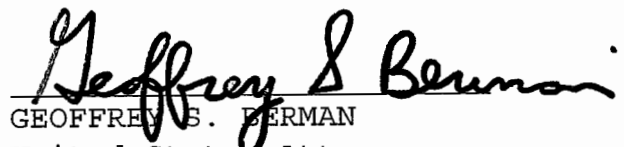
(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982, Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property described above.

(Title 18, United States Code, Sections 981 and 982;  
Title 28, United States Code, Section 2461; and  
Title 21, United States Code, Section 853.)

  
FOREPERSON 1/30/18

  
GEOFFREY S. BERMAN  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

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INDICTMENT

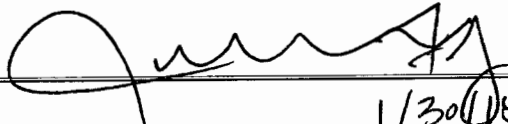
18 Cr. \_\_\_\_ (\_\_\_\_)

(Title 18, United States Code,  
Sections 371, 1347, 1349, and 2)

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GEOFFREY S. BERMAN  
United States Attorney.

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Filed Indictment USMS FOX  
Case assigned to Judge Crotty

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